

M I N U T E S

PLACER COUNTY DEFERRED COMPENSATION MEETING

**Monday, August 5, 2002
Recorder's Conference Room**

In attendance:

Jenine Windeshausen, Treasurer-Tax Collector
Ann Craig, Personnel
Jim Mallery, Deputy Sheriff's Association
Joan Frink, Alternate Retired Member Representative
Janeen DuPree, Personnel
Sabrina Thompson, County Counsel's Office
Allen Klahn, Retired Member Representative
David Mullins, CalPERS
Julia Philyaw, CalPERS
Eric Waidmann, Assistant Treasurer-Tax Collector
Therese Leonard, County Executive Office
Kathy Martinis, Auditor-Controller

I. Call to Order

The meeting was called to order at 2:02 p.m. Introductions were made.

II. Public Comment

Craig reported that Janeen Dupree in Personnel has been promoted and is assisting with a great many deferred comp issues.

III. Hardship Request – Closed Session

Two hardship requests were granted in closed session.

IV. Hartford

a. EGTRRA plan amendments

Craig explained EGTRRA provisions of the Hartford plan document for 2002.

A loan provision for the 457 is not in the plan document. The Committee will have to decide if they want to incorporate it at this time and, if so, contract language will have to be provided.

Another amendment to consider is the minimum distribution requirement for the 457 plan. The Committee will have to make a decision on whether they want it to be effective for 2002. It is automatically effective in 2003.

Craig will have contract language for the 457 loan provision and the minimum distribution requirement for the next meeting.

The final recommendations that the Committee makes on the plan document will be taken to the Board of Supervisors for final approval.

Thompson thought it would be a good idea to ask for additional authorization or delegation of authority from the Board so that in the future the Committee could make decisions and sign off.

b. Single statements for participants in both 457 and 401(k) plans

Craig said that Hartford plans on mailing statements in a single envelope for those participants in both plans beginning with the quarter ending September 30.

Dave Mullins said that a request has also been sent to CitiStreet to do the same with CalPERS statements.

c. Compliance with current contract regarding participant withdrawals

Windeshausen stated that she was aware of two instances where transfers have been made and the reduced CDSC charges under the new Hartford contract were not applied. Windeshausen thought that maybe some due diligence was in order to make sure that CDSC charges are being done according to the new contract. It was decided to ask Hartford for a report giving the names of all people who have transferred money. Once the report is received, these people will be contacted by the Committee and reminded to check and make sure that their CDSC charges were correct.

Currently, the purchase of service credits is allowed under the 457 plan, but not under the 401k. Windeshausen suggested that we investigate the feasibility of a private letter ruling to the IRS to get this resolved.

d. Employee communications regarding fees

Windeshausen reported that she had received some feedback that there were comments made by Hartford that may have been misleading to some people about their fees in relation to CalPERS. Craig replied that Hartford gives a list of all their fees to participants. She will send a copy of this list to Windeshausen.

e. Request to add 401(k) investment plan options to make them the same as 457 investment options

Windeshausen stated that Hartford is requesting to add a number of investments to the 401k to mirror the investments that are offered under the 457 plan. Craig said that Tom Howard from Hartford would like to attend one of our meetings in the near future to discuss these options with the Committee. Windeshausen suggested that expanding these options is a business opportunity for Hartford. This is a negotiable item and we might consider getting the CDSC fees lowered in return for adding more 401k options. Windeshausen suggested that when we discuss this topic with Tom Howard at the next meeting that we make sure we have in front of us a list of all the current fees in both 457 and 401k, the current deferred sales charge fee structure, and the fees for the investments they are proposing.

V. CalPERS

a. EGTRRA plan amendment status

With respect to the CalPERS plan document, Dave Mullins stated that it has been approved by the Internal Revenue Service through the private letter ruling mechanism. As such, they are permitted to implement the EGTRRA changes without an actual change to the plan document itself. The IRS is releasing regulations and model language over time and the process is that as long as CalPERS adopts those model language provisions when they are available, during this interim period they are permitted to make the EGTRRA changes. Mr. Mullins offered to have Marty Walton come to our next meeting and talk further about the plan amendments.

Julia Philyaw passed out some forms that would implement the EGTRRA changes. She encouraged Windeshausen and Craig to read them over and customize them for the particular needs of Placer County.

VI. Appointment/Reappointment of Retirees' Representative

The Committee agreed to recommend to the Board of Supervisors that we renew the term of Allen Klahn, the retired member representative, for another two years. Klahn's term expired on July 11, 2002. The necessary paperwork will be taken to the Board of Supervisor's for approval.

VII. Participant Feedback Regarding Plan Satisfaction

Windeshausen suggested sending a survey out to the employees to get their input on how the plans were performing and if they had any comments or suggestions to improve them. She asked if the committee members could draft some suggestions for the survey to be discussed at the next meeting.

Julia Philyaw submitted to the group some sample survey questions that she prepared.

VIII. Future Meeting Dates

It was decided to schedule two future meeting dates to coincide with Board dates. The meetings will be scheduled via e-mail.

IX. Adjournment

The meeting was adjourned at 3:50 p.m.